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14CR2950H

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

June 2014 Grand Jury

UNITED STATES OF AMERICA,

Case No. 14CR2950H

Plaintiff,

I N D I C T M E N T

v.

KEITH LAWRENCE MIDDLEBROOK,

Title 18, U.S.C., Sec. 1341 - Mail Fraud; Title 18, U.S.C., Sec. 1017 - Use of Fraudulent Government Seal; Title 18, U.S.C., Sec. 157 - Bankruptcy Fraud; Title 18, U.S.C., Sec. 1028A(a)(1) - Aggravated Identity Theft; Title 18, U.S.C., Sec. 981(a)(1)(C) and Title 28, U.S.C. Sec. 2461(c) - Criminal Forfeiture

Defendant.

The grand jury charges:

INTRODUCTORY ALLEGATIONS

At all times pertinent to this Indictment:

1. Defendant KEITH LAWRENCE MIDDLEBROOK ("MIDDLEBROOK") was the owner and president of several companies including Keith Middlebrook Pro Sports, FICO Financial Services, Elite Platinum Portfolios, Monterey Capital Management Inc., Pro Sports Investment Portfolio LLC, and the Keith Middlebrook Foundation.

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1       2. "Credit scores" are numbers designed to represent a person's  
2 creditworthiness. The scores are generated by, and based on  
3 information reported to, "credit reporting agencies." Three of the  
4 largest credit reporting agencies in the United States are Experian,  
5 Trans Union, and Equifax.

6       3. The Credit Repair Organizations Act ("CROA"), 15 U.S.C.  
7 § 1679, regulates the activities of "credit repair organizations."  
8 CROA defines a "credit repair organization" as "any person who uses  
9 any instrumentality of interstate commerce or the mails to sell,  
10 provide, or perform (or represent that such person can or will sell,  
11 provide, or perform) any service, in return for the payment of money  
12 or other valuable consideration, for the express or implied purpose of  
13 (i) improving any consumer's credit record, credit history, or credit  
14 rating; or (ii) providing advice or assistance to any consumer with  
15 regard to any activity or service described in clause (i)."

16       4. CROA prohibits credit repair organizations from accepting  
17 money or other valuable consideration for the performance of any  
18 service before the service is fully performed. CROA further prohibits  
19 making untrue or misleading statements with respect to any consumer's  
20 credit worthiness, credit standing, or credit capacity to a credit  
21 reporting agency.

22       5. CROA requires that a credit repair organization provide its  
23 customers a written contract, a separate specific written statement of  
24 rights, a "Notice of Cancellation," and a copy of any other document  
25 the credit repair organization requires its customer to sign.

26       6. Neither consumers nor credit repair organizations have the  
27 right to have accurate, current, and verifiable information removed  
28 from a credit report. Accurate, negative information must be removed

1 only if it is over seven years old or, for bankruptcy information,  
2 over ten years old.

3 Counts 1-15

4 MAIL FRAUD

5 [18 U.S.C. § 1341]

6 7. The allegations set forth in paragraphs 1 through 6 above  
7 are realleged as if fully set forth herein.

8 **The Scheme to Defraud**

9 8. Beginning on a date unknown to the grand jury but no later  
10 than August 2013, and continuing through the date of this indictment,  
11 within the Southern District of California, and elsewhere, defendant  
12 KEITH LAWRENCE MIDDLEBROOK did devise and intend to devise with the  
13 intent to defraud a scheme and artifice to defraud as to material  
14 matters and to obtain money by means of materially false and  
15 fraudulent pretenses, representations, and promises, and intentional  
16 concealment and omission of material facts.

17 **Manner and Means**

18 9. In furtherance of this scheme and artifice to defraud,  
19 MIDDLEBROOK utilized the following manner and means, among others:

20 a. MIDDLEBROOK sought clients from across the country,  
21 especially clients who were famous, wealthy, or  
22 otherwise high-profile, by promising to raise the  
23 clients' credit scores by working with credit reporting  
24 agencies;

25 b. In exchange for this purported service, MIDDLEBROOK  
26 often charged thousands of dollars, receiving payment  
27 before rendering services;

- 1       c. MIDDLEBROOK concealed from his clients material
- 2               information about CROA, including that he could not
- 3               legally accept money for his services before completing
- 4               the service, that a written contract containing
- 5               specific language was required by law, and that he
- 6               could not legitimately remove valid debts from a credit
- 7               history;
- 8       d. MIDDLEBROOK created, and caused others to create,
- 9               fraudulent documents purporting to be from businesses,
- 10               financial institutions, government agencies, and
- 11               creditors, which falsely claimed that the debts owed by
- 12               MIDDLEBROOK's clients were no longer owed and should be
- 13               deleted from the clients' credit histories;
- 14       e. MIDDLEBROOK used forged seals from government agencies
- 15               to mislead creditors as to the legitimacy of the
- 16               clients' debts;
- 17       f. MIDDLEBROOK sent, and directed his employees to send,
- 18               the fraudulent documents to creditors in the
- 19               United States Postal system;
- 20       g. Along with the fraudulent documents, MIDDLEBROOK
- 21               created and sent, and directed his employees to create
- 22               and send, letters containing the clients' social
- 23               security number and purported signature. The clients
- 24               did not actually sign these documents.
- 25       h. Some of the letters MIDDLEBROOK caused to be sent
- 26               caused credit reporting agencies to remove negative
- 27               information from the clients' credit reports, thereby
- 28               improving the clients' credit scores.

## The Mailings

2       10. On or about the dates listed below, within the Southern  
3 District of California, defendant KEITH LAWRENCE MIDDLEBROOK, for the  
4 purpose of executing the aforesaid material scheme, knowingly  
5 deposited and caused to be deposited matters and things to be sent and  
6 delivered by the United States Postal Service and private and  
7 commercial interstate carriers.

Count	Date of Mailing	Debtor Initials	Mailing Location	Recipient	Fraudulent Document
1	08/29/13	C.S.	Oceanside	Trans Union	"Removal of Bankruptcy" District of Nevada
2	08/30/13	C.S.	Oceanside	Equifax	"Removal of Bankruptcy" District of Nevada
3	09/11/13	C.S.	Oceanside	Experian	Mercedes-Benz Financial Services
4	09/18/13	J.M.	Escondido	Equifax	"Removal of Bankruptcy" Southern District of California
5	09/18/13	J.M.	Escondido	Trans Union	"Removal of Bankruptcy" Southern District of California
6	09/23/13	J.M.	Carlsbad	Equifax	County of San Diego
7	09/23/13	J.M.	Carlsbad	Trans Union	County of San Diego
8	10/01/13	J.M.	Fallbrook	Equifax	County of San Diego
9	10/04/13	J.M.	Fallbrook	Equifax	First Premier Bank
10	10/04/13	J.M.	Fallbrook	Trans Union	First Premier Bank
11	10/10/13	J.M.	Escondido	Equifax	County of San Diego

1	12	10/25/13	J.S.	Escondido	Trans Union	Progressive Management Systems
2	13	10/29/13	J.S.	Escondido	Trans Union	Progressive Management Systems
3	14	10/30/13	J.M.	Oceanside	Equifax	County of San Diego
4	15	11/06/13	J.M.	Escondido	Equifax	County of San Diego

7  
8 All in violation of Title 18, United States Code, Section 1341.  
9

Counts 16-19

10 USE OF FRAUDULENT GOVERNMENT SEAL

11 [18 U.S.C. § 1017]

12 11. The allegations set forth in paragraphs 1 through 6 above  
13 are realleged as if fully set forth herein.

14 12. On or about the dates listed below, within the Southern  
15 District of California, defendant KEITH LAWRENCE MIDDLEBROOK, with  
16 wrongful and fraudulent intent, used and transferred to another a  
17 document upon which the seal of a department or agency of the  
18 United States had been fraudulently affixed.

19 Count	20 Date of Use and Transfer	21 Debtor Initials	22 Fraudulent Document
21 16	22 08/29/13	23 C.S.	24 "Removal of Bankruptcy" District of Nevada
22 17	23 08/30/13	24 C.S.	25 "Removal of Bankruptcy" District of Nevada
23 18	24 09/18/13	25 J.M.	26 "Removal of Bankruptcy" Southern District of California
24 19	25 09/18/13	26 J.M.	27 "Removal of Bankruptcy" Southern District of California

27 All in violation of Title 18, United States Code, Section 1017.  
28

Count 20

## Bankruptcy Fraud

[18 U.S.C. § 157]

4       13. The allegations set forth in paragraphs 1 through 6 are  
5 realleged as if fully set forth herein.

6       14. Beginning on a date unknown to the grand jury but no later  
7 than August 2013, and continuing through the date of this indictment,  
8 within the Southern District of California, and elsewhere, defendant  
9 KEITH LAWRENCE MIDDLEBROOK did devise and intend to devise with the  
10 intent to defraud a scheme and artifice to defraud, more fully  
11 described in Paragraph 9, and for the purpose of executing and  
12 concealing this scheme and artifice and attempting to do so, made a  
13 false and fraudulent representation, claim, and promise concerning and  
14 in relation to a bankruptcy proceeding under Title 11, that is, that  
15 no bankruptcy petition was filed by or against J.M. and that J.M. was  
16 released from bankruptcy proceedings; in violation of Title 18, United  
17 States Code, Section 157.

Counts 21-35

## Aggravated Identity Theft

[18 U.S.C. § 1028A]

15. The allegations set forth in paragraphs 1 through 6 above  
are realleged as if fully set forth herein.

23       16. On or about the dates listed below, within the Southern  
24 District of California, defendant KEITH LAWRENCE MIDDLEBROOK did  
25 knowingly use, without legal authority, a means of identification of  
26 another person, a signature and social security number, knowing that  
27 the means of identification belonged to a real person, during and in  
28 relation to Mail Fraud in violation of Title 18, United States Code,

1 Section 1341, and Use of a Fraudulent Government Seal; in violation of  
 2 Title 18, United States Code, Section 1017:

Count	Date of Use	Initials of Identity Used	Recipient
21	08/29/13	C.S.	Trans Union
22	08/30/13	C.S.	Equifax
23	09/11/13	C.S.	Experian
24	09/18/13	J.M.	Equifax
25	09/18/13	J.M.	Trans Union
26	09/23/13	J.M.	Equifax
27	09/23/13	J.M.	Trans Union
28	10/01/13	J.M.	Equifax
29	10/04/13	J.M.	Equifax
30	10/04/13	J.M.	Trans Union
31	10/10/13	J.M.	Equifax
32	10/25/13	J.S.	Trans Union
33	10/29/13	J.S.	Trans Union
34	10/30/13	J.M.	Equifax
35	11/06/13	J.M.	Equifax

18  
 19 All in violation of Title 18, United States Code, Section 1028A(a)(1).

20 FORFEITURE ALLEGATIONS

21 17. The allegations contained in paragraphs 1 through 10 of this  
 22 Indictment are hereby realleged and incorporated by reference for the  
 23 purpose of alleging forfeiture pursuant to Title 18, United States  
 24 Code, Section 981(a)(1)(C) and Title 28, United States Code,  
 25 Section 2461(c).

26 18. Upon conviction of Counts 1 through 15, defendant KEITH  
 27 LAWRENCE MIDDLEBROOK shall forfeit to the United States any real or  
 28 personal property constituting, derived from, or traceable to the

1 proceeds that the defendant obtained directly or indirectly as a  
2 result of the offense(s), pursuant to Title 18, United States Code,  
3 Section 981(a)(1)(C), and Title 28, United States Code,  
4 Section 2461(c).

5 19. If any of the property described above, as a result of any  
6 act or omission of the defendant:

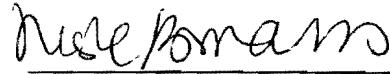
- 7 a. cannot be located upon the exercise of due diligence;
- 8 b. has been transferred or sold to, or deposited with, a  
9 third party;
- 10 c. has been placed beyond the jurisdiction of the court;
- 11 d. has been substantially diminished in value; or
- 12 e. has been commingled with other property which cannot be  
13 divided without difficulty,

14 it is the intent of the United States, pursuant to Title 21, United  
15 States Code, Section 853(p), made applicable herein by Title 28,  
16 United States Code, Section 2461(c) and Title 18, United States Code,  
17 Section 982(b), to seek forfeiture of any other property of the  
18 defendant up to the value of the said property described above as  
19 being subject to forfeiture.

20 All pursuant to Title 18, United States Code, Section 981(a)(1)(C),  
21 and Title 28, United States Code, Section 2461(c).

22 DATED: October 9, 2014.

23 A TRUE BILL:

24   
\_\_\_\_\_  
25 Foreperson

26 LAURA E. DUFFY  
27 United States Attorney

28 By:   
\_\_\_\_\_  
29 D. BENJAMIN HOLLEY  
30 Assistant U.S. Attorney